

Don Nickles, Chairman
Kelly D. Johnston, Staff Director

Editor, Judy Gorman Prinkey

No. 6

March 6, 1995

H.R. 889 — DoD Emergency Supplemental Appropriation for FY 1995

Calendar No. 24

Reported from the Committee on Appropriations on March 2, 1995, with amendments, by a unanimous vote. S. Rept. 104-12.

NOTEWORTHY

- The Committee recommends appropriations of \$1.94 billion to cover the costs of unbudgeted DoD contingencies in FY 1995 (\$603.3 million less than the President's request and the House allowance), and rescinds \$1.96 billion of prior year DoD funds to offset the new budget authority and outlays provided by these supplemental appropriations. The Senate appropriation is more than fully offset by the DoD rescissions, the bulk of which (\$1.858 billion out of \$1.964 billion) comes from DoD programs no longer required or of lower priority. [See attached chart.]
- Of the \$1.93 billion recommended to be appropriated by the Senate, none is designated as emergency. The President requested a total of \$2.54 billion in supplemental appropriations for the DoD, all designated as emergency. The House provided the requested amount as emergency funding, and added \$670 million for combat readiness, for total appropriations of \$3.21 billion. In addition, the House bill includes a list of rescissions from defense funds appropriated in FYs 1993-1995 totaling \$1.46 billion.
- The Senate bill rescinds \$1.54 billion from nondefense discretionary spending, but recommends the savings be applied to deficit reduction. The House bill makes rescissions of \$1.40 billion from domestic programs to help offset the new defense spending.
- The Senate bill also recommends a reduction of \$250 million to the DoD's transfer authority since many of the military's FY 1995 funding shortfalls are ameliorated by this supplemental.

HIGHLIGHTS

- Major Committee appropriations and rescissions are summarized below. See also the attached chart at the end of this Notice.

Summary of Committee Recommendations (in millions)

				<i>Senate Cmte. Recommend. Compared with (+ or -)</i>	
	<i>Supplemental Estimates</i>	<i>House Allowance</i>	<i>Senate Cmte. Recommendation</i>	<i>Supplemental Estimates</i>	<i>House Allowance</i>
=====					
Title I:					
With emergency designation	\$2,538.7	\$2,538.7	—	-\$2,538.7	-\$2,538.7
Without emergency designation	—	—	\$1,935.4	1,935.4	1,935.4
Defense rescissions	—	-1,460.2	-1,863.9	-1,863.9	-403.7
Additional defense funds	—	669.7	—	—	-669.7
General provisions	-331.7	-360.0	-71.7	260.0	288.3
(Transfer authority)	—	—	(-250.0)	(-250.0)	(-250.0)
Subtotal, Title I, defense	2,207.0	1,388.2	-.2	-2,207.2	-1,388.4
Title II: Nondefense rescissions	-116.3	-1,402.1	-1,536.0	-1,419.7	-133.8
Bill total	2,090.7	-13.9	-1,536.2	-3,626.9	-1,522.2

- The bulk of the Senate appropriation — \$1.78 billion — goes to Operations and Maintenance (O&M) accounts to pay for unplanned operations in Bosnia, Rwanda, Haiti, Somalia and Kuwait. Since none of these operations had been anticipated in the FY 1995 defense budget, the armed services paid for them by using funds earmarked for training and maintenance.

Committee Adjustments

The total Senate appropriation of \$1.94 billion is \$603 million less than the Administration's request and the House allowance. More than one-half of the Senate Committee's reductions — \$357 million — were made to Operations and Maintenance (O&M) accounts in anticipation of reimbursements for the following operations:

- Cutting \$230 million — the amount the DoD received from Kuwait as reimbursement for one-half of the costs of Operation Vigilant Warrior. This reimbursement was not reflected in the President's supplemental request.

- Reducing \$60 million in Army funds requested to support U.S. logistics activities in Haiti. The Army requested funds to pay for U.S. logistics activities for the full fiscal year. But the President's request assumes the U.S. would complete its mission in Haiti within the first half of the fiscal year since the United Nations (U.N.) is scheduled to take over the financial and operational responsibilities in Haiti in the last half of the fiscal year.
- Reducing \$67 million in anticipation of U.N. reimbursements for costs associated with U.S. force participation in peacekeeping operations in Somalia, Bosnia and Haiti.

Additional Committee adjustments to the Administration's request include:

- Denying an Army request of \$89 million to replenish supply stocks because Congress has already provided additional funds for such efforts in the FY 1995 DoD Appropriations Act.
- Denying a \$52.3 million Navy request to repair roads and refurbish dining facilities and other structures at Guantanamo Naval Base until a more definitive policy is approved by the Administration and Congress on the future status of the refugee camp.
- Rejecting the DoD request to fund the replacement of equipment that was lost, damaged, or transferred during peacekeeping activities.

Defense Rescissions

The Committee recommends a general provision that provides a rescission of funds identified by the committee, which are no longer required by DoD, or which support lower priority programs. These include:

- \$300 million for Environmental Restoration, defense.
- \$100 million for the Defense Production Act.
- \$333 million for the Tri-service standoff attack missile (TSSAM), which the Pentagon had already planned to cancel.
- \$200 million from the defense Technology Reinvestment Program (TRP), from Advanced Research Projects Agency (ARPA).

Nondefense Rescissions

The major domestic program rescissions (Title II) include:

- \$107 million from Advanced Technology Programs (ATP) under the National Institute of Standards and Technology.
- \$100 million from funds appropriated for FY 1995 and unobligated balances carried forward into FY 1995 in the Defense Environment Restoration and Waste Management Program, under the Department of Energy.
- \$110 million from the Development Fund for Africa under the Agency for International Development (rather than from assistance from the New Independent States of the Former Soviet Union, as recommended by the House).
- A total of \$200 million from the Clean Coal Technology Program (\$50 million from FY 1996 appropriations and \$150 million from FY 1997 appropriations).
- \$200 million from the Youth Job Training Program.
- \$100 million from the Pell Grant program
- \$400 million from funds previously appropriated for public housing new construction. This was in lieu of a House-recommended rescission of \$400 million for NASA for construction of new national wind tunnel facilities, which the Committee rejected, saying the funds are critical to maintain U.S. competitiveness in the manufacture of commercial aircraft.

=====
COST
=====

Budgetary Impact

All funds provided in this bill are either offset or are within the remaining limits of the Committee's allocations.

Five-Year Projection of Outlays

Five-year projections associated with the budget authority provided in the accompanying bill are as follows: Budget authority: FY 1995: -\$1.34 billion; Outlays: FY 1995: -\$91 million; FY 1996: -\$19 million; FY 1997: -\$223 million; FY 1998: -\$144 million; FY 1999 and future years: -\$293 million.

Assistance To State And Local Governments

The financial assistance to State and local governments is as follows: New budget authority: -\$731 million; FY 1995 outlays: -\$7 million.

POSSIBLE AMENDMENTS

Two amendments offered by Appropriations Committee members to modify the Committee's rescissions in the Commerce and Justice Departments and to modify the rescissions regarding multilateral and bilateral economic assistance.

Helms. Regarding the use of extraordinary and emergency spending authorities under Title X, Section 127 of the Foreign Assistance Act.

McCain. To restore one-half (\$150 million) of the environmental clean-up money and rescind \$302 million of the Technology Reinvestment Program (TRP).

McCain. To restore the Administration's full request by rescinding military construction additions.

McCain. To add \$670 million to readiness (consistent with House action) by rescinding Congressional earmarks in the FY 1995 bill.

Murkowski: Regarding aid to North Korea.

Staff Contact: Yvonne Bartoli, 224-2946

**Comparative Statement of New Budget (Obligational) Authority Estimates and
Amounts Recommended in the Bill**
(in millions of dollars)

Department or Activity	Supplemental Estimates	House Allowance	Senate Cmte. Recommendation	Senate Cmte. Recommend.	
				Compared with (+ or -)	
				Supplemental Estimates	House Allowance
=====					
TITLE I: SUPPLEMENTAL APPROPRIATIONS					
Part I - Department of Defense -- Military					
Military Personnel	205.5	205.5	137.3	-68.2	-68.2
Operation and Maintenance	2,282.5	2,282.5	1,784.1	-498.4	-498.4
Procurement	36.7	36.7	---	-36.7	-36.7
Defense Health Program	14.0	14.0	14.0	---	---
Total, Part I	2,538.7	2,538.7	1,935.4	-603.3	-603.3
Part II - Rescinding Certain Budget Authority					
Department of Defense -- Military					
Operation and Maintenance	---	-263.8	-408.3	-408.3	-144.5
Procurement	---	-335.6	-615.7	-615.7	-280.1
Research, Development, Test, Eval.	---	-846.3	-833.9	-833.9	+12.4
Related Agencies	---	-175.8	-156.0	-156.0	+19.8
Total, Part II	---	-1,460.2	-1,863.9	-1,863.9	-403.7
Part III - Additional Supplemental Appropriations					
Department of Defense -- Military					
Military Personnel	---	248.7	---	---	-248.7
Operation and Maintenance	---	421.0	---	---	-421.0
Total, Part III	---	669.7	---	---	-669.7
Part IV - General Provisions					
	-331.7	-360.0	-71.7	+260.0	+288.3
Total (net)	2,207.0	1,388.2	-.2	-2,207.2	-1,388.4
Appropriations	(2,567.0)	(3,208.4)	(1,963.7)	(-603.3)	(-1,244.7)
Rescissions	---	(-1,460.2)	(-1,963.9)	(-1,963.9)	(-503.7)

TITLE II: OTHER RESCISSIONS

Chapter I					
Department of Justice	---	-70.0	-50.0	-50.0	+20.0
Department of Commerce	---	-107.0	-127.0	-127.0	-20.0
Chapter II					
Department of Energy	---	-100.0	-100.0	-100.0	---

Department or Activity	Supplemental Estimates	House Allowance	Senate Cmte. Recommendation	Senate Cmte. Recommend. Compared with (+ or -)	
				Supplemental Estimates	House Allowance
Chapter III					
Multilateral Economic Assistance	---	-62.0	-62.0	-62.0	---
Bilateral Economic Assistance	---	-110.0	-110.0	-110.0	---
Chapter IV					
Department of Energy	---	-200.0	-200.0	-200.0	---
Chapter V					
Department of Labor	---	-200.0	-200.0	-200.0	---
Department of Education	-103.1	-100.0	-100.0	+3.1	---
Chapter VI					
Federal Aviation Administration	---	---	-35.0	-35.0	-35.0
Federal Highway Administration	---	---	-145.3	-145.3	-145.3
Federal Railroad Administration	-13.2	-53.1	-6.6	+6.6	+46.5
Chapter VII					
Department of Housing and Urban Development	---	---	-400.0	-400.0	-400.0
Independent Agencies -- NASA	---	-400.0	---	---	+400.0
Total, Title II: Rescissions	-116.3	-1,402.1	-1,536.0	-1,419.7	-133.8
GRAND TOTAL (net)	2,090.7	-13.9	-1,536.2	-3,626.9	-1,522.2
Appropriations	(2,567.0)	(3,208.4)	(1,963.7)	(-603.3)	(-1,244.7)
Rescissions	(-116.3)	(-2,862.3)	(-3,499.9)	(-3,383.6)	(-637.5)
Miscellaneous receipts	(-360.0)	(-360.0)	---	(+360.0)	(+360.0)